WILLAN DEVELOPMENTS LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 2012



COMPANY REGISTRATION NUMBER: 02348830

WILLAN DEVELOPMENTS LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2012

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WILLAN DEVELOPMENTS LIMITED

DIRECTORS' REPORT FOR THE PERIOD ENDED 31 MARCH 2012

The directors present their report and audited financial statements of the company for the period, being the 52 weeks to 31 March 2012

PRINCIPAL ACTIVITIES, REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The company's principal activity is that of property development The results for the period were disappointing and further action has being taken to continue the improvement in the future profitability of the company

RESULTS AND DIVIDENDS

The loss for the period after taxation amounted to £100,605 (2011 loss £148,191) The directors did not propose or pay a dividend during the period (2011 £nil) The loss for the period has been transferred from reserves

GOING CONCERN

Not withstanding that fact that the company has net current liabilities of £94,204 as at 31 March 2012 (2011 Net current assets of £6,401) the directors have prepared the financial statements on a going concern basis as the company has received confirmation from the parent company, Willan UK Limited, of its intention to continue its financial support for the foreseeable future

DIRECTORS

The directors who held office during the period, and up to the date of signing the report, were as follows

R P A Willan
A P Stewart
A D Booth

FINANCIAL RISK MANAGEMENT

The directors manage financial risk on a group wide basis Details of the group's financial risk management policies can be found in the financial statements of Willan Group Limited

CHARITABLE DONATIONS

There have been no charitable or political donations (2011 £nil) made in the period

DIRECTORS' INDEMNITY INSURANCE

The company maintains liability insurance for its directors and officer under a policy held by Willan UK Limited, the company's immediate parent company The company also provides indemnity provision for its directors, which is a qualifying third party indemnity provision for the purposes of the Companies Act 2006 These liability and indemnity provisions remain in place at the date of this report

WILLAN DEVELOPMENTS LIMITED

DIRECTORS' REPORT FOR THE PERIOD ENDED 31 MARCH 2012 (CONTINUED)

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Directors' report and financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial period Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006 They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

STATEMENT OF DISCLOSURE OF INFORMATION TO AUDITORS

For all persons who are directors at the time of the approval of the annual report

a) so far as each director is aware, there is no relevant audit information of which the company's auditors are unaware, and
b) each director has taken all the steps necessary as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information

This report has been prepared in accordance with the special provisions relating to small companies with Part 15 of the Companies Act 2006

INDEPENDENT AUDITORS

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the annual general meeting

By Order of the Board

A D BOOTH
Company Secretary
Company Registration Number 2348830

11 June 2012

WILLAN DEVELOPMENTS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WILLAN DEVELOPMENTS LIMITED

We have audited the financial statements of Willan Developments Limited for the period ended 31 March 2012, which comprise the profit and loss account, the statement of total recognised gains and losses, the balance sheet and the related notes The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

Respective responsibilities of directors and auditors
As explained more fully in the Statement of directors' responsibilities set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing

Scope of the audit of the financial statements
An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statement If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report

Opinion
In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 March 2012 and of its loss for the 52 week period then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006
In our opinion the information given in the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception
We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the directors were not entitled to prepare financial statements in accordance with the small company regime and take advantage of the small companies' exemption in preparing the Directors' Report

PricewaterhouseCoopers LLP

Martin Heath (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Manchester

11 June 2012

WILLAN DEVELOPMENTS LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE PERIOD ENDED 31 MARCH 2012

	Note	Period ended 31 March 2012 £	Period ended 2 April 2011 £
TURNOVER	2	203,025	43,990
Cost of sales		(179,221)	(40,164)
GROSS PROFIT		23,804	3,826
Administrative expenses		(158,978)	(208,090)
OPERATING LOSS	3	(135,174)	(204,264)
Interest receivable and similar income	5	-	91
Interest payable and similar charges	6	(2,474)	(2,050)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(137,648)	(206,223)
Tax credit on loss on ordinary activities	7	37,043	58,032
LOSS FOR THE FINANCIAL PERIOD	16	(100,605)	(148,191)

There is no material difference between the loss on ordinary activities before taxation and the loss for the financial period stated above and their historical cost equivalents

The above results are derived from continuing operations

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE PERIOD ENDED 31 MARCH 2012

	Period ended 31 March 2012 £	Period ended 2 April 2011 £
Loss for the financial period	(100,605)	(148,191)
Unrealised profit on revaluation of properties	-	5,000
Total recognised loss for the period	(100,605)	(143,191)

The notes on pages 7 to 14 form part of these financial statements

WILLAN DEVELOPMENTS LIMITED

BALANCE SHEET AS AT 31 MARCH 2012

	Note	31 March 2012		2 April 2011	
		£	£	£	£
FIXED ASSETS					
Tangible assets	8		-		-
Investments	9		755,238		755,238
			755,238		755,238
CURRENT ASSETS					
Stocks	10	-		134,208	
Debtors	11	75,438		66,875	
Cash at bank		35,543		6,636	
			110,981		207,719
CREDITORS - Amounts falling due within one year	12		(205,185)		(201,318)
NET CURRENT (LIABILITIES)/ASSETS			(94,204)		6,401
NET ASSETS			661,034		761,639
CAPITAL AND RESERVES					
Called up share capital	14		1,000,000		1,000,000
Revaluation reserve	15		5,000		5,000
Profit and loss account	16		(343,966)		(243,361)
TOTAL SHAREHOLDERS' FUNDS	17		661,034		761,639

The financial statements on pages 5 to 14 were approved by the board of directors on 11 June 2012 and signed on its behalf by

R P A Willan
Director
Company Registration Number 02348830

The notes on pages 7 to 14 form part of these financial statements

WILLAN DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS – PERIOD ENDED 31 MARCH 2012

1 ACCOUNTING POLICIES

The principal accounting policies, which have been applied consistently throughout the year, are set out below

(a) Accounting convention

These financial statements are prepared on the going concern basis under the historical cost convention, modified to include the revaluation of investment properties, and in accordance with applicable accounting standards in the United Kingdom Compliance with Statement of Standard Accounting Practice Number 19 "Accounting for Investment Properties" requires departure from the requirements of the Companies Act 2006 relating to depreciation and amortisation

(b) Investment properties

In accordance with SSAP19

- Investment properties are held in the balance sheet at their open market value Residential property valuations are based on vacant possession values in present condition, using a discount factor to relate to tenanted values Commercial property valuations are based on anticipated yields achievable in the current market climate,
- Investment properties are revalued annually, with the aggregate surplus or deficit being transferred to a revaluation reserve, and
- No depreciation or amortisation is provided in respect of freehold investment properties or leasehold investment properties with over twenty years to run

This departure from the requirements of the Companies Act 2006, which requires all properties to be depreciated is, in the opinion of the directors, necessary for the financial statements to show a true and fair view in accordance with applicable accounting standards

The depreciation or amortisation (which would, had the provision of the Act been followed, have reduced the profit for the period) is only one of the factors reflected in the annual valuation and the amount attributable to this factor cannot reasonable be separately identified or quantified

(c) Depreciation

Tangible fixed assets are stated at historic purchase cost less accumulated depreciation Provision is made for depreciation on tangible fixed assets at rates calculated to write off the cost of each asset over its expected useful life as follows

Computer equipment	25% straight line

(d) Stocks and work in progress

Land on hand, exchanged properties and materials are valued at the lower of cost and estimated net realisable value Work in progress and finished property held for sale are valued at the cost of construction, including attributable interest Purchase options over land are included at cost when it is considered that the purchase is virtually certain, or at estimated market value if lower

(e) Taxation

The company provides for corporate taxation on the results for the period at the normal rate applicable to that period

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that have resulted in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date

Deferred tax assets are regarded as recoverable and recognised in the financial statements when, on the basis of available evidence, it is more likely than not that there will be suitable taxable profits from which the future reversal of the timing differences can be deducted Deferred tax balances are not discounted

NOTES TO THE FINANCIAL STATEMENTS – PERIOD ENDED 31 MARCH 2012

1 ACCOUNTING POLICIES (CONTINUED)

(f) Leasing

Hire costs in respect of operating leases are charged against profit during the period in which they are incurred

(g) Capitalisation of interest

Stocks and work in progress include appropriate interest costs relating to the development and financing of a project

(h) Pensions

Employees

The company contributes to individual group personal pension policies based on defined contributions Further details of pensions arrangements are disclosed in the financial statements of Willan Group Limited Contributions paid direct to employees' personal pension plans are charged in the period in which they fall due

Directors

The group operates a pension fund for certain of the directors which is financed through a separate trustee administered fund All contributions are charged against profit as incurred and are based upon actuarial advice

(i) Investments

Investments comprise equity shares held at cost in properties over which the company holds a legal charge and commercial property held for the purpose of letting

2 TURNOVER

Turnover, which arose entirely in the United Kingdom represents the amounts for rents receivable and property disposals, excluding value added tax All turnover and profit before taxation arises from the continuing activity of property development work Revenue is recognised on legal completion Contingent consideration is only recognised if its receipt is considered virtually certain

3 OPERATING LOSS

	Period ended 31 March 2012 £	Period ended 2 April 2011 £
Operating loss is stated after charging		
Auditors' remuneration	4,100	4,000

4 DIRECTORS AND EMPLOYEES

	Period ended 31 March 2012 £	Period ended 2 April 2011 £
Directors' remuneration	82,898	71,973

One director (2011 one) accrued retirement benefits under a money purchase pension scheme Company contributions to this scheme were £5,687 (2011 £5,298) in the period

4 DIRECTORS AND EMPLOYEES (CONTINUED)

Employee costs during the period	Period ended 31 March 2012 £	Period ended 2 April 2011 £
Wages and salaries	85,659	70,568
Social security costs	10,457	8,588
Other pension costs	5,687	5,298
	101,803	84,454
	Number	Number
Monthly average number of employees		
Administration	1	1

5 INTEREST RECEIVABLE AND SIMILAR INCOME

	Period ended 31 March 2012 £	Period ended 2 April 2011 £
Inter company interest receivable	-	91

6 INTEREST PAYABLE AND SIMILAR CHARGES

	Period ended 31 March 2012 £	Period ended 2 April 2011 £
Bank Interest	-	1
Inter company interest payable	2,474	2,049
	2,474	2,050

7 TAX ON LOSS ON ORDINARY ACTIVITIES

	Period ended 31 March 2012 £	Period ended 2 April 2011 £
UK Corporation tax at 26% (2011 28%)		
- current period	(35,872)	(57,582)
- adjustment in respect of prior periods	1,736	706
Total current tax	(34,136)	(56,876)
Deferred taxation		
- current period	(2,907)	(1,156)
Total deferred tax (note 13)	(2,907)	(1,156)
Total tax credit	(37,043)	(58,032)

7 TAX ON (LOSS) ON ORDINARY ACTIVITIES (CONTINUED)

Factors affecting the tax charge for the period

The tax credit assessed for the period is lower (2011 lower) than the standard rate of corporation tax in the UK of 26% (2011 28%) The differences are explained below

	Period ended 31 March 2012 £	Period ended 2 April 2011 £
Loss on ordinary activities before tax	(137,648)	(206,223)
Loss on ordinary activities multiplied by standard rate of tax in the UK of 26% (2011 28%)	(35,788)	(57,742)
Depreciation in excess of capital allowances and other timing differences	(84)	(112)
Other timing differences	-	272
Adjustment in respect of prior periods	1,736	706
Current tax credit for the period	(34,136)	(56,876)

The directors consider it more likely than not that there will be sufficient taxable profits in the future such as to realise the deferred tax asset, and therefore the asset has been recognised in these financial statements

The Finance Act 2011 was substantively enacted on 29 March 2011 and included legislation to reduce the main rate of corporation tax from 28% to 26% from 1 April 2011 A further reduction to 25% from 1 April 2012 was substantively enacted by subsequent legislation on 5 July 2011 The deferred tax asset at 31 December 2011 has been re-measured accordingly

Further reductions to the UK corporation tax rate were announced in the 2011 Budget on 23 March 2011, which proposed to reduce the rate by 1% per annum to 23% by 1 April 2014 However, a further announcement was made in the 2012 Budget on 21 March 2012, which will result in the rate reducing to 24% from 1 April 2012, with further 1% reductions per annum to 22% by 1 April 2014 The changes had not been substantively enacted at the balance sheet date and therefore are not recognised in these financial statements The impact of the proposed changes is not expected to be material to the balance sheet

8 TANGIBLE FIXED ASSETS

COST	Computer Equipment £
At 2 April 2011	5,568
Disposals	(4,500)
At 31 March 2012	1,068
ACCUMULATED DEPRECIATION	£
At 2 April 2011	5,568
Disposals	(4,500)
At 31 March 2012	1,068
NET BOOK AMOUNT	
At 2 April 2011 and 31 March 2012	-

There was no capital expenditure contracted but not accrued as at 31 March 2012 (2011 £nil)

9 FIXED ASSET INVESTMENTS

	31 March 2012 £	2 April 2011 £
Equity shares	85,238	85,238
Investment property	670,000	670,000
	755,238	755,238

The equity shares represent investments held in properties sold by the company over which the company holds a legal charge

The investment property is held on the balance sheet at open market value Both the opening valuation of £670,000 (2011 £665,000) and the closing valuation of £670,000 (2011 £670,000) were valued by a professionally qualified director of the company, who is a Fellow of the Royal Institute of Chartered Surveyors

10 STOCKS

	31 March 2012 £	2 April 2011 £
Work in progress	-	134,208

There is no capitalised interest included in the work in progress (2011 £7,138)

NOTES TO THE FINANCIAL STATEMENTS – PERIOD ENDED 31 MARCH 2012 (CONTINUED)

11 DEBTORS

	31 March 2012 £	2 April 2011 £
Other debtors	15,182	1,409
Corporation tax	49,834	57,582
Prepayments and accrued income	5,798	6,167
Deferred tax (Note 13)	4,624	1,717
	75,438	66,875

12 CREDITORS - Amounts falling due within one year

	31 March 2012 £	2 April 2011 £
Trade creditors	12,393	13,220
Amounts owed to other group undertakings	84,403	56,287
Other creditors	30,000	40,000
Taxation and social security	3,766	2,811
Accruals	74,623	89,000
	205,185	201,318

Amounts due to group companies are unsecured and repayable on demand

13 DEFERRED TAX

	£
At 2 April 2011	(1,717)
Credit to profit and loss account	(2,907)
At 31 March 2012	(4,624)

	31 March 2012 £	2 April 2011 £
Deferred taxation provided in the financial statements comprises		
Excess of depreciation over capital allowances	(307)	(417)
Short term timing differences	(4,317)	(1,300)
Total deferred tax	(4,624)	(1,717)

14 CALLED UP SHARE CAPITAL

	Authorised 2012 £	2011 £	Allotted, issued and fully paid 2012 £	2011 £
Ordinary shares of £1 each	1,000,000	1,000,000	1,000,000	1,000,000
Number of shares	Number	Number	Number	Number
At 2 April 2011 and 31 March 2012	1,000,000	1,000,000	1,000,000	1,000,000

NOTES TO THE FINANCIAL STATEMENTS – PERIOD ENDED 31 MARCH 2012 (CONTINUED)

15 REVALUATION RESERVE

	£
At 2 April 2011 and at 31 March 2012	5,000

16 PROFIT AND LOSS ACCOUNT

	£
At 2 April 2011	(243,361)
Loss for the period	(100,605)
At 31 March 2012	(343,966)

17 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	31 March 2012 £	2 April 2011 £
Loss for the period	(100,605)	(148,191)
Revaluations during the period	-	5,000
Net reduction from shareholders' funds	(100,605)	(143,191)
Opening shareholders' funds	761,639	904,830
Closing shareholders' funds	661,034	761,639

18 PENSION OBLIGATIONS

i) Employees
The company contributes to individual group personal pension policies based on defined contributions Further details of pension arrangements are disclosed in the financial statements of Willan Group Limited Contributions paid direct to employees' personal pension plans are charged in the period in which they fall due There were no contributions prepaid or outstanding at the balance sheet date

ii) Directors
Willan Group Limited operates a pension fund for certain of the directors, which is financed through a separate trustee administered fund All contributions are charged against profit as incurred and are based upon actuarial advice

19 CASH FLOW STATEMENT AND RELATED PARTY DISCLOSURES

The company is a wholly owned subsidiary of Willan Group Limited and is included in the consolidated financial statements of Willan Group Limited, which are publicly available Consequently, the company has taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard 1 (Revised 1996) The company is also exempt under the terms of Financial Reporting Standard 8 from disclosing related party transactions with entities that are part of the Willan Group Limited

20 ULTIMATE PARENT UNDERTAKING AND CONTROL

The company's immediate parent undertaking is Willan UK Limited, which is registered in England The company's ultimate parent undertaking is Willan Group Limited, a company registered in England The company's ultimate controlling party is certain members of the Willan family, principally RPA Willan Copies of the Group financial statements of Willan Group Limited can be obtained from the registered office at 2 Brooklands Road, Sale, Cheshire M33, 3SS